

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

KONINKLIJKE PHILIPS ELECTRONICS  
N.V. and U.S. PHILIPS CORPORATION,

Plaintiffs,

V.

CINRAM INTERNATIONAL INC.,  
CINRAM INC., CINRAM  
MANUFACTURING INC., and John Does  
No. 1 through 100,

Defendants.

Civil Action No.08-cv-0515  
(CS)(MDF)

ECF Case

**DECLARATION OF TONIA A. SAYOUR IN OPPOSITION TO PHILIPS' MOTION TO DISMISS PATENT MISUSE AND TORTIOUS INTERFERENCE COUNTERCLAIMS**

I, Tonia A. Sayour, declare as follows:

1. I am an attorney in the law firm of Cooper & Dunham LLP, attorneys for the defendants in this action, Cinram International Inc., Cinram Inc. and Cinram Manufacturing Inc., all of whom are collectively referred to as the “Cinram.” I am a member in good standing of the bar of the State of New York and of this Court. I make this declaration in support of Cinram’s Memorandum In Opposition To Philips’ Motion To Dismiss Patent Misuse And Tortious Interference Counterclaims.

2. Attached as Exhibit 1 is a true and correct copy of an April 15, 2008 email from Mr. John Hornick, counsel for Plaintiffs, to Mr. Gregory Carbo, counsel for Defendants.

3. Attached as Exhibit 2 is a true and correct copy of an April 15, 2008 email from Mr. Gregory Carbo, counsel for Defendants, to Mr. John Hornick, counsel for Plaintiffs.

4. Attached as Exhibit 3 is a true and correct copy of an April 18, 2008 email from Mr. Ivan Kavrukov, counsel for Defendants, to Mr. John Hornick, counsel for Plaintiffs.

5. Attached as Exhibit 4 is a true and correct copy of a letter from Mr. William Lenihan to Eagles Recording Company dated January 31, 2008.

6. Attached as Exhibit 5 is a true and correct copy of an email from Mr. William Lenihan to Ms. Ann Heefner dated February 13, 2008.

7. On information and belief, orders from Eagles Recording Company to Cinram for compact discs have significantly decreased since January 31, 2008.

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated: August 28, 2008

s/ Tonia A. Sayour  
Tonia A. Sayour

**CERTIFICATE OF SERVICE**

I hereby certify that on the 28th day of August, 2008, a copy of the foregoing **DECLARATION OF TONIA A. SAYOUR IN OPPOSITION TO PHILIPS' MOTION TO DISMISS PATENT MISUSE AND TORTIOUS INTERFERENCE COUNTERCLAIMS** was filed electronically with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following:

Christopher J. Houpt  
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Samuel.Bass@finnegan.com

Attorneys for Plaintiffs

s/ Tonia A. Sayour  
Tonia A. Sayour

# **EXHIBIT 1**

-----Original Message-----

**From:** Hornick, John [mailto:John.Hornick@finnegan.com]

**Sent:** Tuesday, April 15, 2008 7:14 PM

**To:** Gregory Carbo

**Cc:** Bass, Samuel; Kovalick, Vince; Ivan S. Kavrukov; Maria Arap

**Subject:** RE: Philips cases

Dear Greg:

We cannot accept service for Philips Intellectual Property Standards because it is not a legal entity with an independent existence. Accordingly, Philips asks that Cinram voluntarily drop Philips Intellectual Property Standards from the Amended Counterclaims. If not, Philips will move to dismiss.

We will address your question about the Texas cases in a separate email soon.

Sincerely,

John

# **EXHIBIT 2**

-----Original Message-----

**From:** Gregory Carbo

**Sent:** Tuesday, April 15, 2008 7:46 PM

**To:** 'Hornick, John'

**Cc:** Bass, Samuel; Kovalick, Vince; Ivan S. Kavrukov; Aileen Aurich

**Subject:** RE: Philips cases

Dear John:

We will voluntarily drop Philips Intellectual Property Standards from the Amended Counterclaims provided that you tell us which Philips entity it is a part of. As you know, there also several Defendants named in the Texas suits who likewise do not have any independent existence. We ask that Philips voluntarily drop those defendants from the Texas complaints.

Separately, all of the Defendants whom we represent in the related Texas actions filed a Motion For Transfer of Venue today, requesting that Judge Crone transfer the Texas cases to the S.D.N.Y. As the resolution of the Motion For Transfer may obviate the need to move forward with these cases in Texas, these Defendants ask that Philips agree to extend the deadline to file an Answer to Philips' complaints by 30 days so that the Court will first have the opportunity to rule on the Motion For Transfer. This would make the Answer due on May 21, 2008 for these Defendants. Please let me know if Philips agrees to this extension.

Sincerely,  
Greg

# **EXHIBIT 3**



-----Original Message-----

**From:** Ivan S. Kavrukov

**Sent:** Friday, April 18, 2008 1:21 PM

**To:** 'Hornick, John'; Gregory Carbo

**Cc:** Bass, Samuel; Kovalick, Vince; Aileen Aurich; Spencer, Jennifer

**Subject:** RE: Philips cases

Dear John:

I'm responding to your email of last night to Greg Carbo, copied to me.

**1. Dismissal of Philips IP Standards:**

Based on your representation that Philips IP Standards is not a corporate entity, we will dismiss it, as Greg Carbo emailed you on April 15, 2008.

The discovery we have served will in due time disclose the place of Philips IP Standards in the corporate structure, but we again ask you to tell us now what corporate entity encompasses Philips IP Standards.

**2. Adding principals and customers as defendants:**

The defendants that we represent would oppose the addition of individuals and customers as defendants. We see no justifiable need or reason for such additions.

**3. Due date for answers in the Texas cases:**

Thank you for agreeing to extend the due date to respond to the Texas complaints.

We understand that there is a special procedure in Beaumont for stipulated extensions and have asked our local counsel today to work with yours on following it (and hope you have alerted your local counsel).

**4. Time extension for document responses in SDNY case:**

Attached is a proposed stipulation extending each side's time by two weeks, signed for defendants. Please sign for plaintiffs and return by email.

We appreciate your undertaking to produce the Rubenstein-related documents as quickly as possible. Please specify a date by which plaintiffs will produce the documents related to the assessment whether the '846 patent was "essential." This should not be a large volume.

**5. Transfer of the Texas cases to the SDNY:**

We appreciate your consideration of transfer of the Texas cases to the SDNY and would welcome plaintiffs' consent. Today we learned from counsel for Music City that he would

support transfer. We understand that Eva-Tone has not been served; perhaps you know its position on transfer.

We think a conference with Judge Brieant at this time would be premature. We would be asking Judge Brieant for advisory decisions on an issue that is not before him. Moreover, while we believe that Judge Crone should rule for transfer, particularly if the parties consent, it still is her decision to make, not ours and not Judge Brieant's.

Regarding the schedule in the NY case, we would work with you to agree on an expeditions schedule should the transfer take place, but think it would be unrealistic to expect the exact same schedule with a dozen more defendants in the case. We accepted service of the NY complaint on March 6 but the Texas complaints had not all been served until we accepted service on March 31. The NY case is moving along but already there is a two-week slippage to respond to document requests and possible further delays should plaintiffs engage in rolling production.

We suggest that if plaintiffs consent to transfer we both try to get an indication ASAP that Judge Crone would transfer and then promptly work on a proposed schedule and seek a conference with Judge Brieant.

Ivan Kavrukov  
Cooper & Dunham LLP  
1185 Avenue of the Americas, 23rd Floor  
New York, New York 10036  
Direct tel. (212)278-0432  
Direct Fax (212)391-7550  
Mobile (917)945-0121

# **EXHIBIT 4**

**PHILIPS**

**Philips Intellectual Property & Standards**

January 31, 2008

**RECEIVED**

**FEB 05 2008**

**BOULEVARD MANAGEMENT**

Eagles Recording Company  
21731 Ventura Boulevard  
Suite 300,  
Woodlands Hills, CA 91364  
Chantilly, VA 20151

Re: *Philips' Intellectual Property Rights Covering CD and DVD Products*

Dear Sir or Madame:

We represent Koninklijke Philips Electronics, N.V., U.S. Philips Corporation and their related companies (collectively, "Philips") and write regarding your companies' purchase and sale of Compact Discs (CD Discs").

As you may know, Philips administers worldwide joint licensing programs for essential patents covering CD and DVD disc technologies. Every CD, CD-R/RW, DVD, DVD-R/RW and player and disc made, used, offered for sale, sold or imported into the United States or Canada is covered by these essential patents. A list of patents infringed by CD discs is attached to this letter, placing you and your company on notice of these patents in accordance with 35 U.S.C. § 287.

Philips is informed that your company, the Eagles Recording Company, purchased and sold CD Discs made from manufacturers who do not pay Philips CD Disc royalties and therefore is selling and trading in unlicensed products. Philips wishes to advise you that under 35 U.S.C. § 271, companies such as the Eagles Recording Company that sell unlicensed products are infringers of patents belonging to Philips and others.

For example, we specifically call your attention to the fact that United States Philips Corporation is the owner of U.S. Patents 5,790,512 ("the '512 Patent"), entitled "Optical Information Carrier". Please also note U.S. Patent No. 5,068,846, entitled "Reflective, Optical Record Carrier," relating to the CD Systems ("the '846 patent"). Therefore, under 35 U.S.C. § 271, companies that make,



Philips Electronics North America Corporation  
345 Scarborough Road  
P.O. Box 3001  
Briarcliff Manor, NY 10510-8001

Tel: (914) 945-6000  
Fax: (914) 332-0615

Eagles Recording Company

January 31, 2008

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use, offer to sell, sell and or import unlicensed CD discs into the United States infringe upon these patents and are subject to liability, including enhanced damages for willful patent infringement and liability for Philips' attorneys' fees.

This Philips website will also provide you with more information about the worldwide joint licensing programs and a list of essential patents ([www.licensing.philips.com](http://www.licensing.philips.com)).

Philips demands that the Eagles Recording Company immediately cease and desist from selling or trading in unlicensed CD's and provide an accounting of and payment of royalties for all unlicensed CD discs sold or otherwise disposed of by your company. We expect to receive written confirmation of your willingness to cease such infringing conduct **within ten (10) days** of receipt of this notice.

Kindly be advised that nothing contained in this letter shall constitutes a waiver of any rights or remedies that Philips may have against the Eagles Recording Company and all such rights and remedies whether in law or equity, arising under state, federal or other law, are hereby expressly reserved.

Very truly yours,

  
William J. Lenihan

Enclosures:

Optical Media Disc Patent List



U.S. and Canada Optical Media Disc PatentsU.S. Patents (patent numbers and expiry dates/ \* indicates "Non-essential" patents)**Royal Philips Electronics N.V., U.S. Philips and Sony patents infringed by CD disc products**

5021879*	Apr 25, 2008	5390159*	Feb 14, 2012	5684786*	Nov 04, 2014	5754521*	Dec 14, 2015	5859821*	Oct 30, 2016
5068846	Nov 26, 2008	5587979*	Jan 17, 2009	5699476*	Dec 16, 2014	5778257*	Jan 29, 2016	5878019*	Mar 02, 2016
5305301	Apr 19, 2011	5606539*	Feb 25, 2014	5740310*	Apr 14, 2015	5798990*	Sep 16, 2016		
5341356*	Jan 07, 2012	5608697	Mar 04, 2014	5745454*	Sep 20, 2016	5825731*	Nov 27, 2016		
		5661715*	Oct 20, 2014	5745641*	Apr 28, 2015	5844867*	Dec 01, 2015		

**Royal Philips Electronics N.V., U.S. Philips, Sony and Pioneer patents infringed by DVD Video, DVD Audio, DVD ROM and DVD RAM disc products**

4961077	Feb 19, 2008	5530655	June 01, 2010	5677903	Oct 14, 2014	5841753	Apr 18, 2012	5991715	Nov 23, 2016
4972484	Nov 20, 2007	5539829	Jun 01, 2010	5696505	Feb 08, 2015	5850456	Feb 06, 2017	6023490	Apr 09, 2017
5068846	Nov 26, 2008	5544247	Oct 25, 2014	5740317	Apr 14, 2015	5864530	Dec 29, 2013	6289308	Jun 01, 2010
5214678	May 31, 2010	5605782	Dec 22, 2014	5790056	Aug 30, 2015	5878080	Feb 07, 2017	6301389	Jan 30, 2016
5323396	Jun 01, 2010	5606618	Jun 01, 2010	5790512	Dec 22, 2014	5920272	Feb 08, 2015	6370102	Dec 18, 2015
5481643	Mar 18, 2013	5610985	Jan 21, 2014	5818943	Oct 25, 2014	5920874	Nov 16, 2015	6388962	Nov 16, 2015
5511057	Dec 29, 2013	5642113	Feb 15, 2015	5838696	Feb 16, 2015	5960037	Apr 09, 2017		

**Royal Philips Electronics N.V., U.S. Philips, Sony and Taiyo Yuden patents infringed by CD-Recordable (CD-R) and CD-ReWritable (CD-RW) disc products**

4413340	May 20, 2011	5023856	Jun 11, 2008	5418764	May 23, 2012	5745454*	Sep 20, 2016	5878019*	Mar 02, 2016
4940618	Jul 10, 2007	5068846	Nov 26, 2008	5587979*	Jan 17, 2009	5745641*	Apr 28, 2015	RE34719	Jul 29, 2008
4942565	Sep 28, 2007	5080946	Jan 14, 2009	5606539*	Feb 25, 2014	5754521*	Dec 14, 2015		
4962493	Oct 09, 2007	5090009	Feb 18, 2009	5608697	Mar 04, 2014	5778257*	Jan 29, 2016		
4972401	Nov 20, 2007	5126994	Nov 21, 2009	5654947	Aug 05, 2014	5798990*	Sep 16, 2016		
4990388	Feb 05, 2008	5155723	Oct 13, 2009	5661715*	Oct 20, 2014	5825731*	Nov 27, 2016		
4999825	Nov 01, 2008	5305301	Apr 19, 2011	5684786*	Nov 04, 2014	5835462	Sep 30, 2016		
5021879*	Apr 25, 2008	5341356*	Jan 07, 2012	5699476*	Dec 16, 2014	5844867*	Dec 01, 2015		
		5390159*	Feb 14, 2012	5740310*	Apr 14, 2015	5859821*	Oct 30, 2016		

**Royal Philips Electronics N.V., U.S. Philips, Sony, Hewlett-Packard and Pioneer patents infringed by DVD+R, DVD+RW, DVD-R, and DVD-RW disc products**

4949332	May 09, 2008	5508981	Apr 16, 2013	5757733	Jan 30, 2011	5920272	Feb 08, 2015	6243338	Sep 08, 2018
4962493	Oct 09, 2007	5515346	May 07, 2013	5790056	Aug 30, 2016	5969651	Jul 07, 2015	6282166	Apr 02, 2017
4972401	Nov 20, 2007	5533001	Jul 02, 2013	5790512	Dec 22, 2016	5970045	Mar 17, 2017	6330210	Apr 29, 2019
5001692	Apr 08, 2008	5587990	Jan 30, 2011	5805564	May 29, 2016	5978351	Dec 02, 2017	6388962	Nov 16, 2015
5025435	May 09, 2008	5605782	Dec 22, 2014	5818367	July 07, 2015	5987066	Dec 03, 2016	6526005	April 29, 2022
5060219	Dec 20, 2008	5610880	Jan 30, 2011	5835462	Sep 30, 2016	6046968	Apr 04, 2017	6538982	Jan 24, 2020
5068846	Nov 26, 2008	5629924	Nov 07, 2014	5838656	Jan 30, 2011	6047397	Feb 16, 2015	RE37428	Feb 12, 2012
5150354	Oct 31, 2009	5642113	Feb 15, 2015	5838696	Feb 16, 2015	6075761	Apr 02, 2017		
5293293	Mar 8, 2011	5654947	Aug 05, 2014	5898655	Jun 24, 2016	6181672	Oct 18, 2019		
5418764	May 23, 2012	5682365	Oct 28, 2014	5901123	Jan 08, 2017	6219308	Jan 30, 2011		
5488605	Feb 24, 2014	5696505	Feb 08, 2015	5917857	Dec 12, 2016	6236804	Feb 26, 2017		

**Royal Philips Electronics N.V., U.S. Philips and Sony patents infringed by SACD disc products**

5068846	Nov 26, 2008	5696505	Feb 08, 2008	5838696	Feb 16, 2015	5989670	Apr 09, 2016	6229463	Mar 15, 2019
5305301	Apr 19, 2011	5732065	Sep 04, 2016	5850456	Feb 06, 2017	5995493	May 07, 2017	6266368	Jan 15, 2018
5508981	Apr 16, 2013	5745454*	Sep 20, 2016	5859821*	Oct 30, 2016	6005837	May 18, 2018	6269338	Sep 25, 2017
5511057	Dec 29, 2013	5790056	Aug 30, 2016	5864530	Dec 29, 2013	6014364	Dec 21, 2015	6275176	Mar 18, 2019
5515346	May 07, 2013	5790512	Dec 22, 2014	5872755	Nov 18, 2016	6023490	Apr 09, 2017	6275457	Apr 01, 2019
5587979*	Jan 17, 2009	5798990*	Sep 16, 2016	5878080	Feb 07, 2017	6026069	Dec 29, 2013	6285301	Mar 16, 2019
5587990	Jan 30, 2011	5805564	May 29, 2016	5920272	Feb 08, 2015	6041302	Nov 10, 2017	6289306	Nov 07, 2017
5605782	Dec 22, 2014	5818367	Jul 07, 2015	5920874	Nov 16, 2015	6047397	Feb 16, 2015		
5610880	Jan 30, 2011	5825731	Nov 27, 2016	5960037	Apr 09, 2017	6076062	Dec 09, 2016		
5689497	Oct 11, 2016	5828648	Dec 21, 2015	5966367	Dec 21, 2015	6144320	Mar 19, 2019		

Canadian Patents (patent numbers and expiry dates/\* indicates "Non-essential" patents)**Royal Philips Electronics N.V. and Sony patents infringed by CD disc products**

1280208	Feb 12, 2008	2036585*	Feb 19, 2011	2064511*	Mar 31, 2012	1322593*	Sep 28, 2010
2043670*	May 31, 2011	2335403	May 31, 2011				

**Royal Philips Electronics N.V., Sony and Pioneer patents infringed by DVD Video, DVD Audio, DVD ROM and DVD RAM disc products**

1320571	Jul 20, 2010	2043670*	May 31, 2011	2335403	May 31, 2011
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**Royal Philips Electronics N.V., Sony and Taiyo Yuden patents infringed by CD-Recordable (CD-R) and CD-ReWritable (CD-RW) disc products**

1280208	Feb 12, 2008	1331807	Aug 30, 2011	1332466	Oct 11, 2011	2043670*	May 31, 2011
1326710	Feb 01, 2011	1322593*	Sep 28, 2010	2021026	Jul 05, 2012	2335403	May 31, 2011
2036585*	Feb 19, 2011						

**Royal Philips Electronics N.V., Sony, Hewlett-Packard and Pioneer patents infringed by DVD+R, DVD+RW, DVD-R, and DVD-RW disc products**

1305253	Dec 16, 2008	1330591	Jul 05, 2011	2002481	Nov 08, 2009	2016055	May 04, 2010
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**Royal Philips Electronics N.V. and Sony patents infringed by SACD disc products**

1207443	Jul 08, 2008	1322593*	Sep 28, 2010
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Note: This list is subject to revision. Updated patent lists may be found at <http://www.ip.philips.com>.

# **EXHIBIT 5**

**From:** William Lenihan [mailto:william.lenihan@philips.com]  
**Sent:** Wednesday, February 13, 2008 10:37 AM  
**To:** Heefner, Ann  
**Subject:** Re: H&R Block

Dear Ms. Heefner-

All CD discs manufactured by Zomax go unreported / unpaid and therefore infringe the essential Philips CD Disc patent. Last month, Philips filled litigation against Zomax for patent infringement / breach of contract.

I will forward a copy of that court filing / litigation for your reference.

Any CD Disc produced by Sony DADC is considered Licensed and in good standing.

To that end, we can offer H&R Block assistance in directing you to other Licensed replicators in good standing.

Philips will protect it's patent rights to the fullest the law and may ultimately look to H&R Block to resolve the unpaid royalties for discs manufactured on your behalf by Zomax.

To our knowledge, Zomax ceased to report / pay royalties on CD Disc at or around the middle of 2006.

Please feel free to call to further discuss.

regards,

William J. Lenihan  
Director  
Philips Intellectual Property & Standards  
P.O.Box 3001  
345 Scarborough Road  
Briarcliff Manor, New York, 10510-8001  
Phone: (914) 333-9622  
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